



## Vehicle Pricing Index (VPI)

**Edition 12**

**Fourth Quarter 2011 (October – December 2011)**

**Used vehicle sales gain ground as new car prices rise - TransUnion**

The pendulum started to swing back in favour of used vehicle sales in the last quarter of 2011 as used vehicle price inflation dropped to its lowest level in two years (0.7% ) while new car price inflation rose to 4.0% , an increase of more than 2.0% over the previous quarter.

Annual new vehicle price inflation for 2011 dropped to 3.4% (2010: 4.7%), while used car inflation fell to 2.7 percent (2010: 4.4%) for the 12 months ending in December.

That's according to the latest Vehicle Pricing Index (VPI) released today (16 January) by TransUnion Auto Information Solutions. The VPI is published quarterly and measures the year-on-year price inflation of a market weighted basket of new and used vehicles.

Based on TransUnion's new and used financial registration statistics obtained from South Africa's major vehicle financing institutions, the ratio of new to used vehicle sales swung back in favour of used cars as the year drew to a close.

After hovering around the 1.6 used vehicles for every one new vehicle financed (1.6:1) mark for most of the year, the ratio of used to new cars financed widened to 1.92 and 1.93 in November and December, respectively.

Highly competitive deals on new vehicles available to consumers during the year resulted in new car price inflation dropping to 1.8 percent in the third quarter. Fewer of these deals now appear to be available.

Most manufacturers introduced price increases in the last few months of the year on the back of bumper sales of new vehicles throughout the year. This has resulted in quite a significant increase in new car prices – a trend which could well continue into 2012

NAAMSA statistics reveal that new passenger sales increased by approximately 17% and light commercial vehicles rose by 11.6% during the year, with an overall market growth in the region of 15.6%.

It should be noted that NAAMSA’s new vehicle sales for December do not include those of Mercedes-Benz SA (Pty). This is due to the global precautionary directive of Daimler AG which is related to the European Union Competition Commission investigation into alleged anti-competitive practices by various European Truck Manufacturers.

Looking ahead to 2012, the momentum of the recovery in the new vehicle market could be undermined if inflationary pressures forced the Reserve Bank to increase interest rates in the coming months.

However, should the repo rate remain unchanged for longer and the Rand maintain its current position – thus allowing manufacturers to avoid significant price increases – the overall vehicle market will benefit.

**Vehicle Pricing Index (VPI) – NEW CARS**

**Annual New Car Price Inflation (Y/Y % Change) - Base Year = 2008**

Year	Index	Jan -Mar	Apr - Jun	Jul -Sep	Oct - Dec	Annual VPI (Jan - Dec)
2000	Index Number	62.7	65.8	69.0	72.2	67.4
	y/y % Change	12.3%	10.0%	9.4%	9.2%	10.2%

<b>2001</b>	Index Number	68.7	72.4	74.5	77.1	73.2
	y/y % Change	9.6%	10.1%	8.0%	6.9%	8.6%
<b>2002</b>	Index Number	75.9	83.7	86.5	89.5	83.9
	y/y % Change	10.5%	15.5%	16.1%	16.0%	14.5%
<b>2003</b>	Index Number	87.6	90.6	91.6	92.1	90.5
	y/y % Change	15.5%	8.3%	5.8%	3.0%	8.1%
<b>2004</b>	Index Number	89.4	91.2	92	92.4	91.2
	y/y % Change	2.0%	0.6%	0.5%	0.3%	0.9%
<b>2005</b>	Index Number	89.6	91.4	92.1	92.4	91.4
	y/y % Change	0.2%	0.2%	0.1%	0.0%	0.1%
<b>2006</b>	Index Number	89.7	91.6	92.5	93.2	91.7
	y/y % Change	0.2%	0.3%	0.5%	0.8%	0.4%
<b>2007</b>	Index Number	92.5	95.2	96.1	96.2	95.0
	y/y % Change	3.1%	3.9%	3.9%	3.3%	3.5%
<b>2008</b>	Index Number	96.0	99.3	101.6	103.1	100.0
	y/y % Change	3.8%	4.3%	5.8%	7.1%	5.3%

<b>2009</b>	Index Number	106.8	110.5	112.8	112.0	111.5
	y/y % Change	11.3%	11.3%	11.0%	8.7%	10.6%
<b>2010</b>	Index Number	114.7	114.8	116.2	116.9	115.7
	y/y % Change	7.4%	3.9%	3%	4.3%	4.7%
<b>2011</b>	Index Number	119.1	119.4	118.2	121.5	119.6
	y/y % Change	3.8%	4%	1.8%	4%	3.4%

A basket of new cars was selected by determining their sales volumes in the market. If a car is discontinued, it will be replaced by its new model in the market.

### Vehicle Pricing Index (VPI) – USED CARS

#### Annual Used Car Price Inflation (Y/Y % Change) - Base Year = 2008

Year	Index	Jan -Mar	Apr - Jun	Jul -Sep	Oct - Dec	Annual VPI (Jan - Dec)
<b>2000</b>	Index Number	72.4	73.8	74.3	74.1	73.7
	y/y % Change	7.0%	10.3%	12.5%	12.9%	10.7%
<b>2001</b>	Index Number	81.2	81.1	80.9	80.4	80.9
	y/y % Change	12.1%	9.8%	9.0%	8.4%	9.8%
<b>2002</b>	Index Number	86.2	88.0	88.7	89.1	88.0
	y/y % Change	6.3%	8.6%	9.6%	10.8%	8.8%

<b>2003</b>	Index Number	98.6	99.2	99.2	98.1	98.8
	y/y % Change	14.4%	12.7%	11.9%	10.2%	12.3%
<b>2004</b>	Index Number	104.8	104.3	104	100.9	103.5
	y/y % Change	6.2%	5.1%	4.8%	2.8%	4.7%
<b>2005</b>	Index Number	104.9	103.3	101.5	98.3	102.0
	y/y % Change	0.1%	-0.9%	-2.4%	-2.5%	-1.4%
<b>2006</b>	Index Number	101.5	99.7	98.6	97.0	99.2
	y/y % Change	-3.2%	-3.5%	-2.9%	-1.4%	-2.8%
<b>2007</b>	Index Number	100.8	99.7	99.2	97.7	99.4
	y/y % Change	-0.7%	0.0%	0.6%	0.8%	0.2%
<b>2008</b>	Index Number	102.6	100.7	99.5	97.2	100.0
	y/y % Change	1.8%	1.0%	0.3%	-0.6%	0.6%
<b>2009</b>	Index Number	101.5	100.0	98.9	96.6	99.2
	y/y % Change	-1.1%	-0.7%	-0.6%	-0.6%	-0.8%
<b>2010</b>	Index Number	106.0	105.6	103.1	99.5	103.6
	y/y % Change	4.5%	5.6%	4.3%	3.1%	4.4%

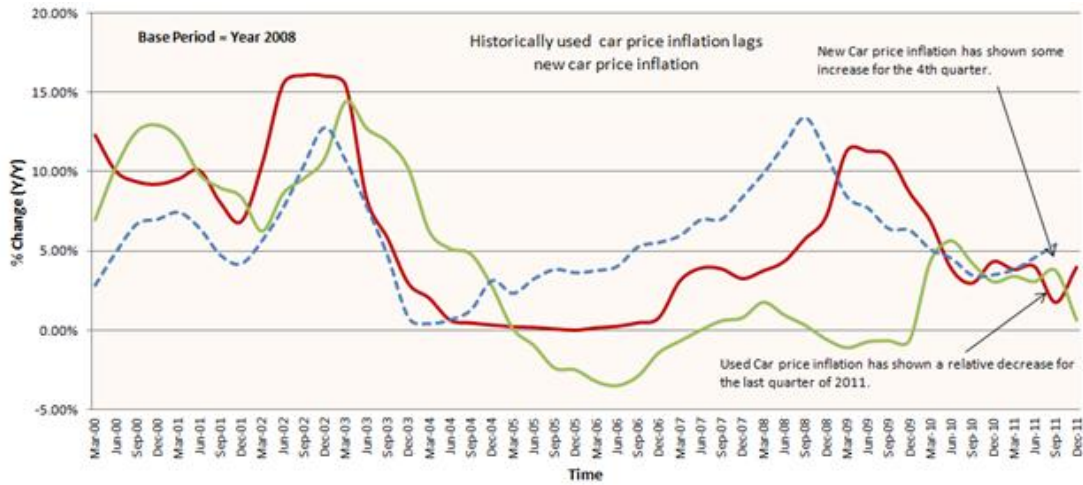
<b>2011</b>	Index Number	109.6	108.9	106.9	100.2	106.4
	y/y % Change	3.4%	3.1%	3.8%	0.7%	2.7%

A basket of used cars were selected by taking the previous year models of all new cars selected in the new basket.

### Car Price Inflation (y/y % Change) - Quarterly

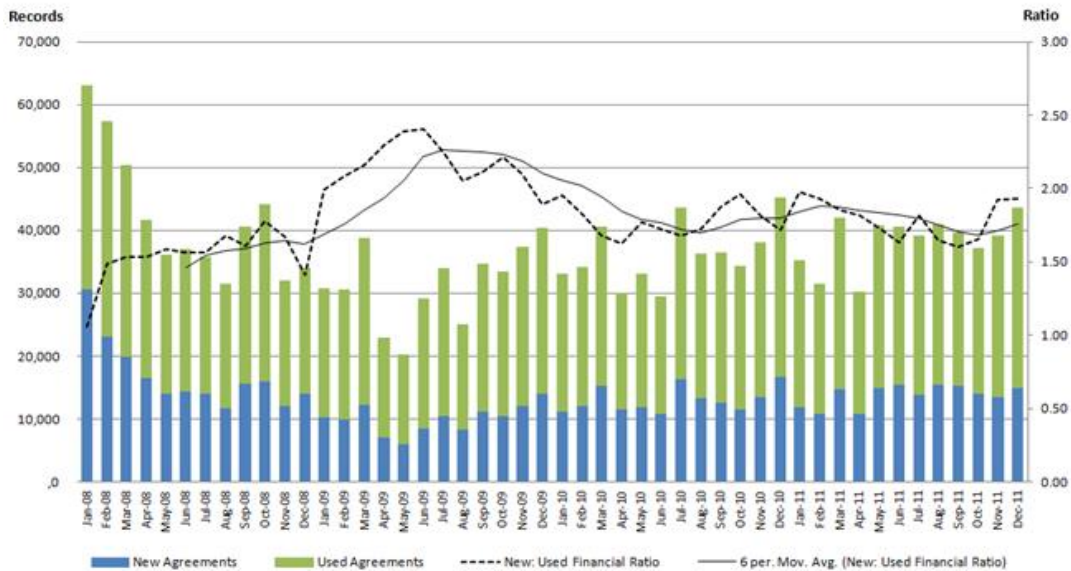
Source: Statistics SA & TransUnion Auto Information Solutions

- Line 1: New Car Price Index
- Line 2: Used Car Price Index
- Line 3: Consumer Price Index (Rebased)



### New & Used Vehicle Financial Agreements for 2008-2011

Source: TransUnion AIS



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[TransUnion Auto Information Solutions](#) is South Africa's leading provider of information solutions for the automotive industry. The company was established in 2005 following the merger of motorONLINE (est. 2000), TransUnion HPI (est. 1997) and TransUnion Mead & McGrouther (est. 1960).

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